

Assembly Bill No. 1506

CHAPTER 868

An act to add Section 1771.7 to the Labor Code, relating to public works.

[Approved by Governor September 25, 2002. Filed
with Secretary of State September 26, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1506, Wesson. Public works.

Existing law generally requires the payment of the general prevailing rate of per diem wages for public works projects costing over \$1,000, unless the awarding body elects to initiate and enforce a labor compliance program, as defined, for every public works project under the authority of that awarding body.

This bill would require an awarding body that chooses to use funds from either the Kindergarten-University Public Education Facilities Bond Act of 2002 or the Kindergarten-University Public Education Facilities Bond Act of 2004 for a public works project to initiate and enforce, or contract with a 3rd party to initiate and enforce, a labor compliance program for that public works project. The bill would provide that the labor compliance law applies to a public works project that commences, as provided, on or after April 1, 2003.

This bill would also provide that, if any campus of the California State University chooses to use these funds and is required to implement a labor compliance program as provided, the "awarding body" for the purposes of this bill is the Chancellor of the California State University, in which case the Chancellor of the California State University would be required to review certain payroll records on at least a monthly basis, as provided. This bill would also require the review of similar payroll records on at least a monthly basis if any campus of the University of California is required to implement a labor compliance program under the bill. This bill would also require awarding bodies to make a written finding that the body has complied with this bill, and require the State Allocation Board or the Director of the Department of Industrial Relations, as applicable, to verify that this written finding has been made.

This bill would not become operative unless either the Kindergarten-University Public Education Facilities Bond Act of 2002 or the Kindergarten-University Public Education Facilities Bond Act of 2004 is approved by the voters.

This bill would also state legislative findings and declarations regarding the bill's intent.

The people of the State of California do enact as follows:

SECTION 1. In enacting this act, the Legislature finds and declares all of the following:

(a) Payment of the prevailing rate of per diem wages to workers employed on public works is necessary to attract the most skilled workers for the project and to ensure that work of the highest quality is performed on these projects.

(b) Public works projects should never undermine the wage base in a community and requiring that workers on public works projects be paid the prevailing rate of per diem wages ensures that the wage base is not lowered.

(c) It is a matter of statewide concern that every school district in California pay the prevailing rate of per diem wages to workers employed on public works undertaken by those school districts.

(d) Therefore, it is the intent of the Legislature in enacting this act that every school district in California pay the prevailing rate of per diem wages to workers employed on public works undertaken by these school districts.

(e) It is the further intent of the Legislature to preserve the constitutional autonomy of the University of California, as described in Section 9 of Article IX of the California Constitution, by providing that this act apply to that university only to the extent that the university chooses to use the funds described in this act.

SEC. 2. Section 1771.7 is added to the Labor Code, to read:

1771.7. (a) An awarding body that chooses to use funds derived from either the Kindergarten-University Public Education Facilities Bond Act of 2002 or the Kindergarten-University Public Education Facilities Bond Act of 2004 for a public works project, shall initiate and enforce, or contract with a third party to initiate and enforce, a labor compliance program, as described in subdivision (b) of Section 1771.5, with respect to that public works project.

(b) This section shall apply to public works that commence on or after April 1, 2003. For purposes of this subdivision, work performed during the design and preconstruction phases of construction, including, but not limited to, inspection and land surveying work, does not constitute the commencement of a public work.

(c) (1) For purposes of this section, if any campus of the California State University chooses to use the funds described in subdivision (a), then the "awarding body" is the Chancellor of the California State



University. For purposes of this subdivision, if the chancellor is required by subdivision (a) to initiate and enforce, or to contract with a third party to initiate and enforce, the labor compliance program described in that subdivision, then in addition to the requirements imposed upon an awarding body by subdivision (b) of Section 1771.5, the Chancellor of the California State University shall review the payroll records described in paragraphs (3) and (4) of subdivision (b) of Section 1771.5 on at least a monthly basis to ensure the awarding body's compliance with the labor compliance program.

(2) For purposes of this subdivision, if an awarding body described in subdivision (a) is the University of California or any campus of that university, and that awarding body is required by subdivision (a) to initiate and enforce, or to contract with a third party to initiate and enforce, the labor compliance program described in that subdivision, then in addition to the requirements imposed upon an awarding body by subdivision (b) of Section 1771.5, the payroll records described in paragraphs (3) and (4) of subdivision (b) of Section 1771.5 shall be reviewed on at least a monthly basis to ensure the awarding body's compliance with the labor compliance program.

(d) (1) An awarding body described in subdivision (a) shall make a written finding that the awarding body has initiated and enforced, or has contracted with a third party to initiate and enforce, the labor compliance program described in subdivision (a).

(2) (A) If an awarding body described in subdivision (a) is a school district, the governing body of that district shall transmit to the State Allocation Board, in the manner determined by that board, a copy of the finding described in paragraph (1).

(B) The State Allocation Board may not release the funds described in subdivision (a) to an awarding body that is a school district until the State Allocation Board has received the written finding described in paragraph (1).

(C) If the State Allocation Board conducts a postaward audit procedure with respect to an award of the funds described in subdivision (a) to an awarding body that is a school district, the State Allocation Board shall verify, in the manner determined by that board, that the school district has complied with the requirements of this subdivision.

(3) If an awarding body described in subdivision (a) is a community college district, the Chancellor of the California State University, or the office of the President of the University of California or any campus of the University of California, that awarding body shall transmit, in the manner determined by the Director of the Department of Industrial Relations, a copy of the finding described in paragraph (1) to the director of that department, or the director of any successor agency that is



responsible for the oversight of employee wage and employee work hours laws.

(e) Notwithstanding Section 17070.63 of the Education Code, for purposes of this act, the State Allocation Board shall increase as soon as feasible, but no later than July 1, 2003, the per pupil grant amounts as described in Sections 17072.10 and 17074.10 of the Education Code to accommodate the state's share of the increased costs of a new construction or modernization project due to the initiation and enforcement of the labor compliance program.

SEC. 3. This act shall not become operative unless at least one of the following conditions is met:

(a) The Kindergarten-University Public Education Facilities Bond Act of 2002 is approved by the voters at the November 5, 2002, statewide general election.

(b) The Kindergarten-University Public Education Facilities Bond Act of 2004 is approved by the voters at the March 2004, statewide direct primary election.

(c) The Kindergarten-University Public Education Facilities Bond Act of 2004 is approved by the voters at the November 2004, statewide general election.

